

**CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION
MINUTES OF MEETING, Public Session**

December 11, 2008

Call To Order: Chairman Ross Johnson called the meeting to order at 10:00 a.m., at 428 J Street, Eighth Floor, Sacramento, California. Chairman Johnson, Commissioners Tim Hodson, Gene Huguenin, Bob Leidigh, and Ray Remy were present.

1. **Public Comment.** This portion of the meeting is reserved for comments on items not on the agenda. Under the Bagley-Keene Open Meeting Act, the Commission cannot act on items raised during public comment, but may respond briefly to statements made or questions posed, request clarification, or refer the item to staff.

There were none.

CONSENT ITEMS 2 THROUGH 14

Chairman Johnson asked if anyone in the audience had comments on any items on the consent calendar. There were none.

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve all items on the consent calendar as proposed by staff.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.
The motion passed 5-0.

2. **Approval of the October 16, 2008, and November 5, 2008, Commission meeting minutes.**
3. **In the Matter of Mark Christopher Chevrolet, Inc., Mountain View Chevrolet, Inc., Mark Leggio, and Diamond Hills Auto Group, Inc., FPPC No. 07/591.**
(34 counts) Total Monetary Penalty: \$150,000
4. **In the Matter of Lawrence Franzella, FPPC No. 04/004.** (4 counts)
Total Monetary Penalty: \$9,000
5. **In the Matter of PS Eco, Inc. dba PS Enterprises and Joseph “Rick” Ruiz, FPPC No. 05/881.** (4 counts) Total Monetary Penalty: \$9,000
6. **In the Matter of Ignacio De La Fuente, FPPC No. 06/144.** Staff: Staff Counsel
(1 count) Total Monetary Penalty: \$1,500
7. **In the Matter of League of California Cities (Non-Public Funds), FPPC No. 07/291.** (1 count) Total Monetary Penalty: \$5,000

8. **In the Matter of Susan D. Casden, FPPC No. 07/511.** (1 count)
Total Monetary Penalty: \$1,680
9. **In the Matter of Susan Nissman, FPPC No. 08/393.** (1 count)
Total Monetary Penalty: \$200
10. **In the Matter of Daniel Bernhard, FPPC No. 08/431.** (1 count)
Total Monetary Penalty: \$200
11. **In the Matter of Scott Blakeslee, FPPC No. 08/400.** (1 count)
Total Monetary Penalty: \$200
12. **In the Matter of Frank Destra, FPPC No. 08/509.** (1 count)
Total Monetary Penalty: \$400
13. **In the Matter of TraPac, Inc., FPPC No. 07/775.** (1 count)
Total Monetary Penalty: \$400
14. **In the Matter of MTC Holdings and aggregated contributions, FPPC No. 08/645.** (1 count) Total Monetary Penalty: \$400

Chairman Johnson passed the gavel over to Commissioner Huguenin and advised he had a presentation to make and was taking a portion of one agenda item out of order, Item 21. He then asked Carla Wardlow, Chief of the Technical Assistance Division, to come to the podium and announced she was retiring from state service, after more than 30 years with the FPPC, effective December 31, 2008. He read and presented her with a Resolution from the Commission, congratulated and commended her for her exemplary service to the FPPC, and expressed how much she would be missed.

Moved by Chairman Johnson and seconded by Commissioner Huguenin to approve the Resolution as presented.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.
The motion passed 5-0.

GENERAL ITEMS 15 THROUGH 21

15. **Approval of Statement of Economic Interests Forms and Instructions for 2008/09.** Staff: Carla Wardlow, Chief, Technical Assistance Division. Staff requested approval of the 2008/09 Statement of Economic Interests (Form 700) and Form 700 Reference Pamphlet; Statement of Economic Interests for Auditors, Claims Managers/Adjusters (Form 700-A); and the Statement of Economic Interests for Principal Investigators (Form 700-U).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve the Statement of Economic Interests Forms and Instructions for 2008/09 as proposed by staff.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.
The motion passed 5-0.

- 16. Adoption of Regulation 18521.5 – Ballot Measure Committees Controlled by Candidates for Elective State Office.** Staff: Senior Commission Counsel Lawrence T. Woodlock and General Counsel Scott Hallabrin. Staff proposed adoption of Regulation 18521.5, requiring that ballot measure committees controlled by candidates for elective state office be “primarily formed” committees established in anticipation of a particular measure or measures. The proposed regulation provides further guidelines governing committee naming conventions, the permissible use of committee funds, and application of contribution limits to these committees under certain circumstances.

Chairman Johnson asked if anyone in the audience had comments. Several people spoke in opposition to this item: Chuck Bell, representing the California Republican Party; Fred Lowell and Liane Randolph, both representing Governor Schwarzenegger’s California Dream Team; and Stephen Kaufman, speaking on his own behalf.

Moved by Commissioner Huguenin and seconded by Chairman Johnson to hold over until the January 15, 2009, Commission meeting. Staff was directed to work on the language with input from the commenters and others, and to bring the revised regulation back for the Commission’s review at the January 2009 meeting.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.
The motion passed 5-0.

- 17. Adoption of Proposed Regulation 18420.1 – Expenditures by Governmental Agencies for Communications about a Ballot Measure.** Staff: Commission Counsel Brian G. Lau and General Counsel Scott Hallabrin. Staff proposed clarifying that a payment of public funds by a governmental agency for a communication to voters about a ballot measure is an expenditure under the Act unless the communication provides a fair and impartial presentation of facts or the communication is otherwise permitted or required by law.

The Chairman asked if there were comments from anyone in the audience. Lance Olson, representing the California School Board Association, spoke in opposition to this item.

Moved by Commissioner Leidigh and seconded by Chairman Johnson to adopt Regulation 18420.1 as proposed by staff.

AYES: Commissioners Huguenin, Leidigh, Hodson, and Chairman Johnson.

NOES: Commissioner Remy.

The motion passed 4-1.

- 18. Repeal and Readoption of Regulation 18944.1; Adoption of Regulation 18944.3; and Approval of Form 802 – Tickets Provided by Agencies.** Staff: Commission Counsel William J. Lenkeit and General Counsel Scott Hallabrin. Staff proposed changes to Regulation 18944.1 regarding gifts of tickets to agencies.

The proposal would repeal the current regulation and adopt new rules clarifying that tickets received by public officials, whether from an outside source or from the official's agency, are gifts to the official unless use of the ticket furthers a specific governmental or public purpose in addition to any private benefit the official may receive. Proposed Regulation 18944.3 would clarify that when an agency makes a payment that provides a personal benefit to an official and that payment is not a lawful expenditure of public funds, the payment is a gift under the Act. After the Commission adopted new Regulation 18944.1, staff also proposed approval of the new Form 802, which contains the information an agency must post on its website when distributing tickets or passes covered by Regulation 18944.1.

Mr. Lenkeit advised he had worked with the Mountain View City Attorney, the Pasadena City Attorney, and an attorney representing the Anaheim City Attorney, prior to the meeting, made some changes, and handed out a revised proposed draft of Regulation 18944.1.

Chairman Johnson asked if Mr. Martello was present in the audience. Michael Martello, City Attorney, City of Mountain View, spoke regarding this item. Michele Beal Bagneris, Pasadena City Attorney, thanked and complimented the Commission and staff for working cooperatively with them on this difficult issue.

Moved by Commissioner Remy and seconded by Commissioner Huguenin to repeal and readopt the revised draft of Regulation 18944.1 as amended at page 3, line 22, changing the word "it" to "its" and to adopt Regulation 18944.3, and approve Form 802 as proposed by staff.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.
The motion passed 5-0.

19. Legislative Report. Staff: Executive Director Roman Porter.

Moved by Commissioner Huguenin, seconded by Commissioner Leidigh, and unanimously approved, that staff seek an author for the proposed amendments to Government Code section 82013 (Committee) to get it introduced.

20. Litigation Report. Staff: General Counsel Scott Hallabrin. As submitted.

Mr. Hallabrin updated the Commission regarding the matter *California ProLife Council, Inc. v. Randolph* and advised that plaintiffs filed an appeal on the attorneys' fees decision by the Federal District Court, and the Attorney General, co-defendants in this case, filed a cross-appeal.

21. Executive Director's Report. Executive Director Roman Porter. As submitted.

Chairman Johnson announced that immediately following adjournment of the meeting, cake would be served in celebration of Carla Wardlow's retirement. He advised there would be no closed session and adjourned the meeting at 12:35 p.m.

Dated: January 15, 2009

Respectfully submitted,

Beth Manwaring
Commission Assistant

Approved: _____
Ross Johnson
Chairman